

Memorandum

To: DEPUTY DIRECTORS
DISTRICT DIRECTORS
PROGRAM MANAGERS
SERVICE CENTER DIRECTORS

Date: December 2, 1998

File:

From: DEPARTMENT OF TRANSPORTATION
BUDGETS PROGRAM - MS 24

Subject: Project Funding Policy

The purpose of this memorandum is to outline the Department of Transportation's (Caltrans') funding guidelines based upon our evaluation of the Federal Transportation Enhancement Act for the 21st Century (TEA-21), and the 1998 Adopted State Transportation Improvement Program (STIP).

Policy

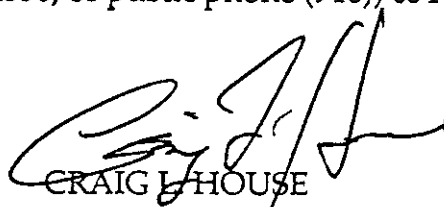
Caltrans maximizes the return of Federal dollars to California. All projects that are eligible for Federal participation must follow the Federal process to ensure maximum reimbursement to California. This policy applies to all capital projects, including transit programmed in the STIP and SHOPP unless specifically mentioned as eligible for State-only funding.

State-only funds are approved for the following:

- All Capital projects under \$750,000 except for:
 - Park & Ride and Bus Stop projects costing \$30,000 or more.
 - Safety (HB-1) and Railroad crossing projects on State highways costing \$100,000 or more.
- State funds used to match Federal funds.
- STIP Rideshare projects.
- Rail projects that are not eligible for Federal funding, and are not for acquiring rolling stock.
- STIP Planning, Programming, and Monitoring funds.
- Projects recommended by Caltrans approved by the California Transportation Commission (CTC) at the time of programming.
- Projects granted exceptions by Caltrans.

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This policy change impacts Deputy Directive 11 - Federal Aid Project Funding. A revised directive will be issued shortly. If you have any questions regarding this policy, please contact Joan Borucki at Calnet 8-464-4556, or public phone (916)) 654-4556.



CRAIG L. HOUSE
Deputy Director
Finance

c: Regional Agencies